

Message Text

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12

ACTION EB-07

INFO OCT-01 EUR-12 EA-07 IO-13 ISO-00 FEA-01 ERDA-05

AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01

H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00

ACDA-07 /122 W

----- 128798

R 040825Z AUG 76

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 6006

INFO CIEC PARIS 1032

AMEMBASSY SINGAPORE

AMEMBASSY BANGKOK

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMCONSUL HONG KONG

AMCONSUL MEDAN

AMCONSUL SURABAYA

USMISSION GENEVA

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E.O. 11652: NA

TAGS: OECD, CIEC, EGEN, EFIN, ID

SUBJECT: US REPRESENTATIONS ON CIEC

REF: A) STATE 181094, B) JAKARTA 9677

1. SUMMARY: EMBOFFS MET WITH GOI DIRECTOR GENERAL FOR
FOREIGN TRADE SUHADI MANGKOESOEWONDO TO DISCUSS RECENTLY
COMPLETED CIEC PARIS COMMISSION MEETINGS. SUHADI EXPRESSED
DISMAY ABOUT FAILURE OF JULY CIEC MEETINGS TO ACHIEVE
OBJECTIVE LDCS SOUGHT MORE CONCRETE FORMULATION OF WORK
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ASSIGNMENT TOPIC HEADINGS FOR NEXT MEETINGS BECAUSE LDCS

DID NOT BELIEVE MORE GENERAL WORDING PREPARED BY DCS COULD BE ACCEPTED AS A SERIOUS COMMITMENT OF THE DCS, ESPECIALLY USG, IN VIEW US LAME DUCK ADMINISTRATION INABILITY TO ASSURE CONSTANCY OF USG POLICY. END SUMMARY.

2. ECONOMIC/COMMERCIAL COUNSELOR AND EMBOFF MET 3 AUGUST WITH GOI DIRECTOR GENERAL FOR FOREIGN TRADE SUHADI MANGKOESOEWONDO AND HIS DIRECTOR FOR FOREIGN TRADE RELATIONS SUMARDI REKSOPUTRANTO TO DISCUSS CIEC COMMISSION MEETINGS AS REQUESTED REF A. EMBOFFS GAVE SUHADI AIDE-MEMOIRE ON POINTS CONTAINED REF A.

3. SUHADI WAS PESSIMISTIC ABOUT CIEC, AND IN PARTICULAR WAS DISMAYED AT WHAT HE PERCEIVED AS A LACK OF COMMITMENT ON THE PART OF GROUP OF 8 (G-8) TO MAKE ANY PROGRESS IN CLOSING DC-LDC GAP. SUHADI SAID HE AND MANY OTHER REPRESENTATIVES IN GROUP OF 19 (G-19) TIED THIS ASSUMED LACK OF COMMITMENT OF US DELEGATES, AS WELL AS THOSE OF QUOTE LESSER DCS SUCH AS GERMANY UNQUOTE, DIRECTLY TO FORTHCOMING ELECTIONS IN THE TWO MAJOR DCS--US AND JAPAN. SUHADI QUESTIONED EFFICACY OF LDCS EVEN PURSUING NEGOTIATIONS WITH DCS AND US IN PARTICULAR WHEN DC REPRESENTATIVES WERE APPARENTLY INCAPABLE OF MAKING CONCRETE, PROGRESSIVE DECISIONS PENDING INSTALLATION OF NEW US ADMINISTRATION AFTER NOVEMBER ELECTIONS. INDEED, HE POINTED OUT THAT MANY LDCS FEAR DCS MAY EVEN BACKSLIDE ON THEIR PREVIOUS COMMITMENTS.

4. ECON COUNSELOR EXPLAINED THAT REGARDLESS OF OUTCOME OF US ELECTIONS, THERE WOULD BE A CONSTANCY OF CURRENT US POLICY TOWARD THIRD WORLD. THERE WAS PROBABLY NO CHANCE OF BACKSLIDING, AND EVEN A POSSIBILITY OF MORE FORWARD MOVEMENT. COUNSELOR NOTED AMBASSADOR HAD RECENTLY SPOKEN TO PUBLIC RELATIONS ASSOCIATION OF INDONESIA (PERHUMAS) ON QUOTE US FOREIGN POLICY IN AN ELECTION YEAR UNQUOTE. (COPY OF SPEECH SENT SUHADI AUGUST 4.)

5. AS EXAMPLE OF SORT OF G-8 POSITION THAT STRENGTHENED LIMITED OFFICIAL USE

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G-19 PERCEPTION OF US ELECTION YEAR IMPOTENCE AND ITS SPILLOVER TO OTHER DCS, SUHADI CITED GENERALITY OF WORDING FOR WORK PROGRAM AGENDA HEADINGS DEMANDED BY G-8 VERSUS MORE SPECIFIC HEADINGS SOUGHT BY G-19. SUHADI FELT THAT SUCH UNSPECIFIC PHRASEOLOGY DESTINED SEPTEMBER WORK SESSIONS TO BE MERELY REHASH OF OLD IDEAS RATHER THAN OPPORTUNITY TO BE CONCRETE STEPS TOWARD CLOSING LD-LDC ECONOMIC GAP.

6. ECONOMIC COUNSELOR EXPLAINED THAT FROM US POINT OF VIEW, WORDING PREPARED BY G-19 PREDEFINED OUTCOME OF WORK SESSIONS AND WAS THEREFORE UNACCEPTABLE. SUHADI SAID G-8 OPPOSITION TO PREDEFINITION WORDING WAS REFLECTION OF DCS IRRESOLUTE WAY OF LOOKING AT NORTH-SOUTH DIALOGUE AND WAS PRECISELY ISSUE AT HAND. HE SAID G-19 BELIEVES NORTH-SOUTH GAP HAS BEEN DEFINED AND FACT THAT IT MUST BE NARROWED ACCEPTED BY BOTH SIDES AT UNCTAD IV, AND PURPOSE OF CIEC IS TO MOVE FORWARD FROM UNCTAD IV AND DEVELOP SPECIFIC MEASURES TO NARROW GAP.

7. SUHADI CITED COMMON FUND AS EXAMPLE OF PROBLEM INVOLVED. HE SAID IT NO LONGER IS AN ISSUE IF FUND SHOULD BE CREATED AS PART OF AN INTEGRATED COMMODITY MARKETING PROGRAM TO PROTECT EARNING POWER OF LDC EXPORTS. QUESTION REMAINING ACCORDING TO SUHADI WAS FOR CIEC WORK PROGRAM TO MOST EFFECTIVELY ESTABLISH FUND AND ITS OPERATIONS.

8. SUHADI ALSO EXPRESSED CONCERN THAT INABILITY OF CIEC COMMISSION-LEVEL PARTICIPANTS TO AGREE ON WORK PROGRAM IN JULY MEETINGS MEANT THERE WAS LITTLE LIKELIHOOD THERE WOULD BE MUCH PROGRESS AT SEPTEMBER MEETINGS AND THAT SUBSTANTIAL NUMBER OF DECISIONS WILL THEREFORE BE REFERRED TO THE MINISTERIAL LEVEL MEETING IN DECEMBER. SUHADI SAID HE DOES NOT THINK THAT MINISTERS WILL BE ABLE TO ADDRESS ALL ISSUES IN TWW WEEK ALLOTTED EVEN THOUGH CURRENTLY STATUS IS MORE A RESULT OF POLITICAL FACTORS THAN TECHNICAL.

9. COMMENT: EMBASSY FILES INDICATE THAT THIS IS THE LIMITED OFFICIAL USE

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FIRST NOTICE WE HAVE HAD OF US ELECTION YEAR CONSIDERATIONS BEING A STUMBLING BLOCK IN THE NORTH-SOUTH DIALOGUE. SUHADI, ONE OF THE GOI SENIOR REPS TO MEETINGS SUCH AS CIEC, UNCTAD IV, AND ASEAN, WAS WE BELIEVE SINCERE IN HIS EXPLANATION THAT MANY LDCS THINK THE US AND OTHER DCS ARE HOLDING BACK ON DECISIONS PENDING POSSIBLE REFORMULATION OF US POLICIES TOWARD THIRD WORLD AFTER NOVEMBER ELECTION.

10. SUHADI'S CONCERN POINTS UP AN UNFORTUNATE CHARACTERISTIC OF MAJOR NORTH-SOUTH MEETINGS EXPRESSED BY ANOTHER SENIOR GOI REP, DR. A. MOOY (REF B): POLITICS OF CONFRONTATION AND NEED FOR GROUP UNITY AT THESE FORA PREVENT SORT OF INFORMAL DIALOGUE BOTH BETWEEN DCS AND LDCS AND AMONG GROUPS THEMSELVES THAT

COULD POSSIBLY RESOLVE MISCONCEPTIONS SUCH AS
ELECTION-YEAR ISSUE.

11. SUHADI APPEARED SOMEWHAT PREOCCUPIED AND VISIBLY
TIRED FROM CONSTANTLY INCREASING WORKLOAD PUT UPON
FEW CAPABLE SENIOR GOI OFFICIALS. NONETHELESS, HE
WAS FORTHCOMING AND TENOR OF HIS FRANK REMARKS AP-
PEARED TO BE NOT ONE REFLECTING INDONESIA'S RECENT,
MORE RADICAL, HARDER-LINE APPROACH TO DC-LDC RELATIONS,
BUT RATHER ONE OF DISAPPOINTMENT THAT LITTLE CONCRETE
ACTION HAS TAKEN PLACE SO FAR AND OF RESIGNATION THAT
LITTLE PROGRESS WOULD BE MADE IN FUTURE CIEC SESSIONS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LESS DEVELOPED COUNTRIES, ECONOMIC COOPERATION, POLICIES
Control Number: n/a
Copy: SINGLE
Draft Date: 04 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976JAKART10216
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760300-0141
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760888/aaaaczse.tel
Line Count: 182
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 181094, 76 JAKARTA 9677
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 20 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 APR 2004 by BoyleJA>; APPROVED <13 SEP 2004 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US REPRESENTATIONS ON CIEC
TAGS: EGEN, EFIN, ID, US, OECD, CIEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006